



National Lutheran  
Communities & Services

# 2022 Annual Report

**Financial Performance and Stewardship**

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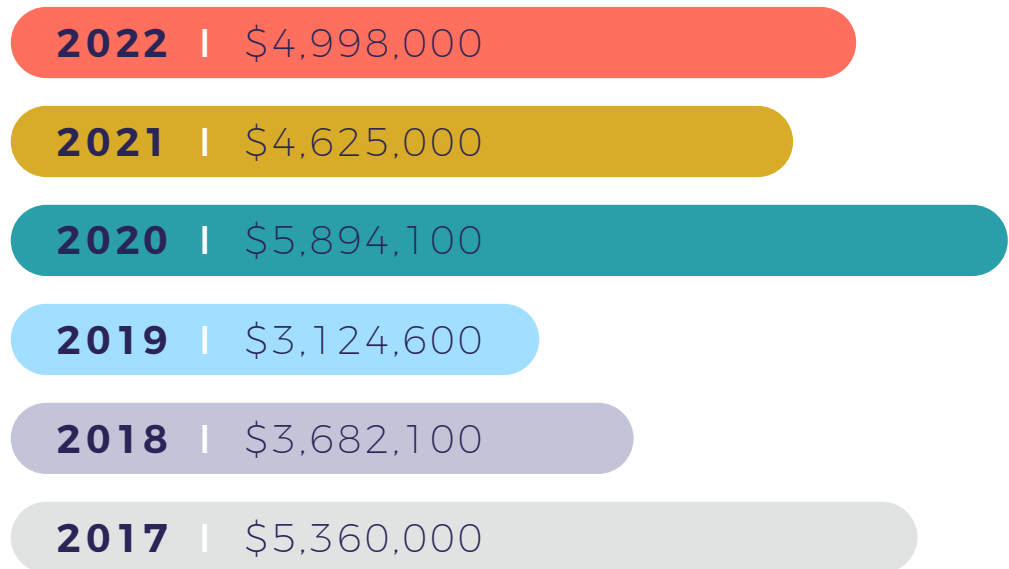
[www.nationallutheran.org](http://www.nationallutheran.org)

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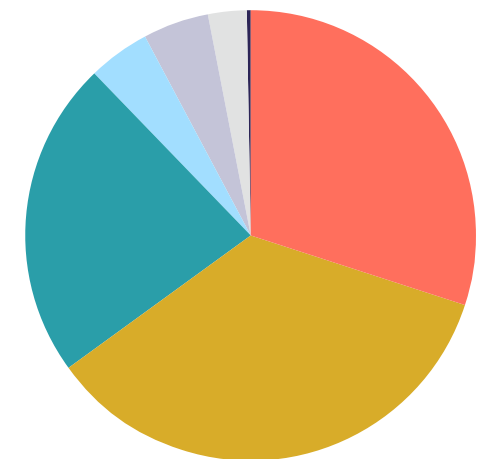
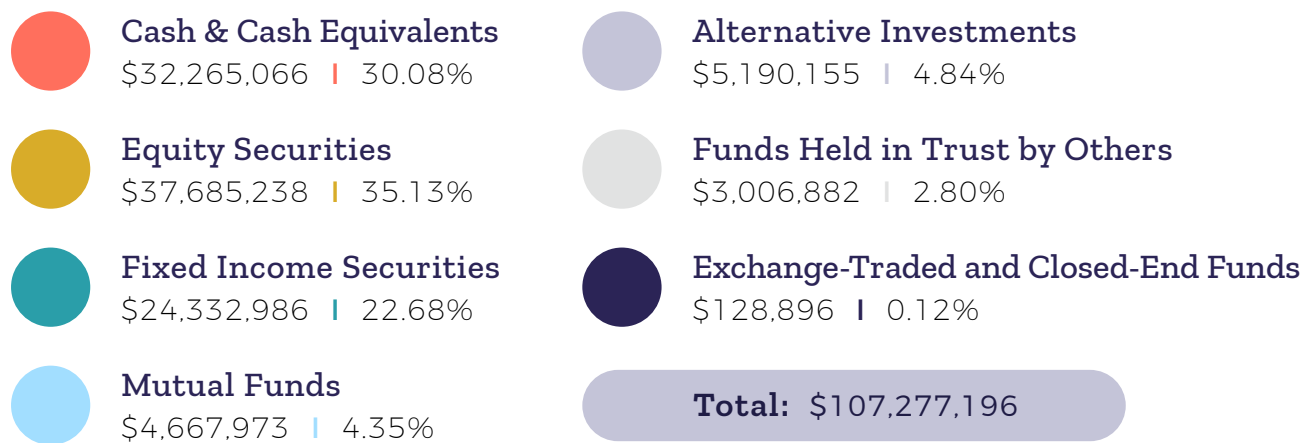
## Total Benevolent Care

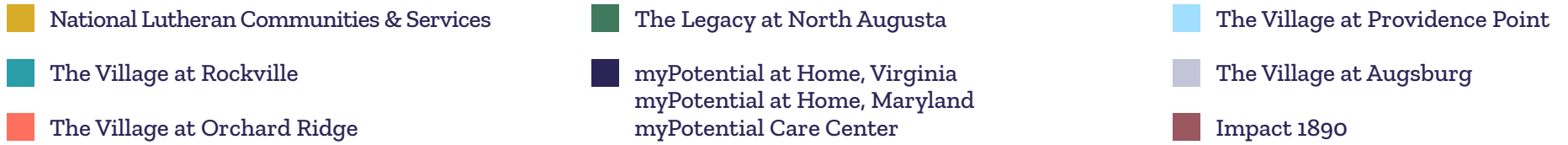
National Lutheran Communities & Services (NLCS) extends charity care and other support to residents, who meet certain criteria under its benevolent care policy and are unable to pay for services, at all levels of care as needed and when appropriate without charge or at amounts less than its established rates. Because NLCS does not pursue collection of amounts determined to be benevolent care, they are not reported as resident service revenue.

NLCS maintains records to identify and monitor the level of benevolent care it provides. The estimated cost of providing benevolent care is based upon the direct and indirect costs identified with the specific benevolent care provided. The cost of benevolent care provided amounted to approximately \$1,098,000 and \$1,134,000 for the years ended December 31, 2022 and 2021, respectively. Benevolent care related to the Medicaid program amounted to approximately \$3,900,000 and \$3,491,000 for the years ended December 31, 2022 and 2021, respectively.

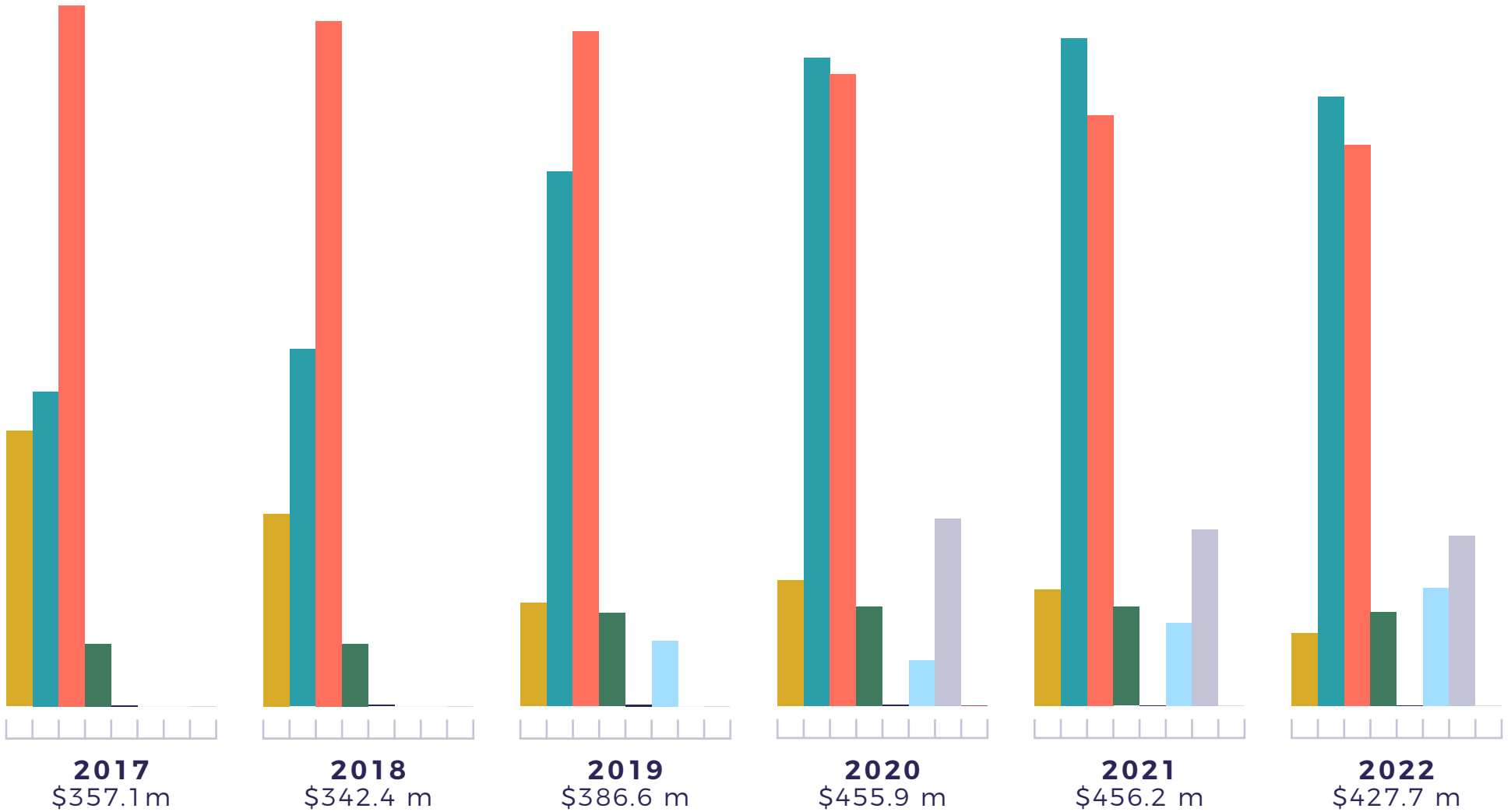


## Total Investments and Assets Whose Use Is Limited





## Total Assets in Millions



# National Lutheran Communities & Services

## Consolidated Balance Sheet

YEARS ENDED  
DECEMBER 31,  
2022 AND 2021

ASSETS	2022	2021
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$5,546,261	\$6,362,913
Accounts receivable, net	4,856,431	3,435,671
Prepaid expenses and other assets	1,676,382	1,705,704
Current portion of pledges receivable	283,790	80,556
Current portion of assets whose use is limited	7,118,872	13,831,923
<b>TOTAL CURRENT ASSETS</b>	<b>19,481,736</b>	<b>25,416,767</b>
Assets whose use is limited, net	25,022,453	19,346,352
Investments	72,128,989	93,065,739
Property and equipment, net	304,574,971	312,009,010
Funds held in trust by others	3,006,882	2,810,476
Goodwill	2,000,000	2,000,000
Right-of-use assets	1,458,963	1,527,719
Pledges receivable, net	40,500	25,453
<b>TOTAL ASSETS</b>	<b>\$427,714,494</b>	<b>\$456,201,516</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable, trade	\$3,070,356	\$3,074,977
Accrued interest	4,582,708	4,833,423
Accrued expenses	7,318,977	7,690,737
Line of credit	10,479,268	7,194,363
Current portion of long-term debt	3,396,000	12,810,525
Current portion of lease liabilities	485,372	437,545
Refundable advances	0	4,198
<b>TOTAL CURRENT LIABILITIES</b>	<b>29,332,681</b>	<b>38,045,768</b>
Resident deposits	8,866,010	4,690,166
Deferred revenues from entrance fees	64,043,279	60,482,482
Refundable entrance fees	109,637,672	97,034,383
Long-term debt, net	167,453,016	173,704,362
Lease liability	973,591	1,090,174
Annuities payable, net	63,137	65,015
<b>TOTAL LIABILITIES</b>	<b>380,369,386</b>	<b>373,112,350</b>
<b>NET ASSETS</b>		
Without donor restrictions	39,636,138	76,222,526
With donor restrictions	7,708,970	6,866,640
<b>TOTAL NET ASSETS</b>	<b>47,345,108</b>	<b>83,089,166</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$427,714,494</b>	<b>\$456,201,516</b>

# National Lutheran Communities & Services

## Consolidated Statement of Operations

YEARS ENDED  
DECEMBER 31,  
2022 AND 2021

	<b>2022</b>	<b>2021</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUE</b>		
Net resident service revenue, including amortization of entrance fees 2022 \$10,164,500; 2021 \$7,583,917	\$80,641,907	\$74,813,688
Provider Relief Funds	912,113	2,483,490
(Loss) on sale or disposal of property and equipment	(508,258)	(83,345)
Net assets released from restrictions, operations	153,611	50,276
<b>TOTAL OPERATING REVENUE</b>	<b>81,199,373</b>	<b>77,264,109</b>
<b>OPERATING EXPENSES</b>		
Salaries and wages	38,823,364	37,543,751
Employee benefits and payroll taxes	7,957,142	8,598,127
Professional fees	11,184,822	8,564,979
Ancillary and medical	4,338,898	4,878,844
Supplies	1,962,699	1,922,066
Food services	3,471,824	3,143,294
Utilities	3,756,966	3,382,316
Depreciation	17,555,578	17,242,655
Interest	10,440,078	11,917,552
Insurance	1,499,482	1,425,647
Real estate taxes	1,717,896	1,928,421
Repairs and maintenance	1,910,714	1,580,685
Advertising and marketing	2,292,001	1,441,842
Licenses, dues and subscriptions	2,081,508	2,115,068
Other operating expenses	1,938,801	1,488,000
Bad debt expense	370,098	243,865
<b>TOTAL OPERATING EXPENSES</b>	<b>111,301,871</b>	<b>107,417,112</b>
<b>(DEFICIENCY) OF OPERATING REVENUE OVER EXPENSES</b>	<b>(30,102,498)</b>	<b>(30,153,003)</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>		
Contributions	357,867	239,653
Other income	909,280	844,460
Interest and dividends	2,177,851	2,243,156
Realized gains (losses)	4,558,018	4,219,418
Unrealized gains (losses)	(14,296,444)	6,627,509
Loss on extinguishment of debt	(361,695)	(905,487)
<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	<b>(6,655,123)</b>	<b>13,268,709</b>
<b>(DEFICIENCY) OF OPERATING REVENUE OVER EXPENSES</b>	<b>(36,757,621)</b>	<b>(16,884,294)</b>
<b>OTHER CHANGES</b>		
Unrealized gains	184,670	460,312
Loss on discontinued operations	(13,437)	(147,939)
Net assets released from restriction, capital purchases	0	9,365
<b>TOTAL OTHER CHANGES</b>	<b>171,233</b>	<b>321,738</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>\$(36,586,388)</b>	<b>\$(16,562,556)</b>

# National Lutheran Communities & Services

## Consolidated Statement of Changes in Net Assets

YEARS ENDED  
DECEMBER 31,  
2022 AND 2021

	<b>2022</b>	<b>2021</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
(Deficiency) of operating and nonoperating revenue over expenses	\$(36,757,621)	\$(16,884,294)
Unrealized gains	184,670	460,312
Loss on discontinued operations	(13,437)	(147,939)
Net assets released restriction, capital purchases	0	9,365
<b>Change in net assets without donor restrictions</b>	<b>(36,586,388)</b>	<b>(16,562,556)</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	1,331,155	803,564
Funds held in trust income	13,280	15,466
Change in value of funds held in trust by others	(348,494)	56,469
Net assets released from restriction	(153,611)	(59,641)
<b>Change in net assets with donor restrictions</b>	<b>842,330</b>	<b>815,858</b>
<b>Change in net assets</b>	<b>(35,744,058)</b>	<b>(15,746,698)</b>
<b>NET ASSETS</b>		
<b>BEGINNING</b>	<b>83,089,166</b>	<b>98,835,864</b>
<b>ENDING</b>	<b>\$47,345,108</b>	<b>\$83,089,166</b>